

Metrics DAO Whitepaper

March
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MetricsDAO unites analytical minds to solve the greatest challenges facing blockchain ecosystems.



We believe that equal access to on-chain data, regardless of provider, is necessary to answer the most pressing questions for decentralized organizations.



We believe that empowering analysts, irrespective of financial or geographic circumstance, will unleash groundbreaking solutions and innovations for the entire blockchain ecosystem.



We believe that a new operating system connecting DAOs with analysts will fuel the Organized Power Usage needed to drive the next era of Web3 development.

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1.0: The Opportunity.

Data-driven insight drives decisions and success. It is the lifeblood of every ecosystem, but is especially critical for decentralized organizations. Without it, communities fail to launch, protocols fail to grow, and blockchains fail to succeed.

These insights are necessary to support community understanding and motivation, in turn influencing internal decision making. But in order to be useful, data often needs to be transformed into insight through a process that is complex, time consuming, and difficult. Additionally, data needs are in constant flux, as new protocols, frameworks, and relationships emerge overnight — and require just as immediate insights.

Analysts capable of meeting these challenges often face artificial financial and geographic constraints in their pursuit of contributing their expertise. Unequal distribution of resources conceal quality analysts from being discovered through traditional means of analytics sourcing, leading them to be passed over for analysts from a small selection of highly-priced consulting groups that may or may not actually provide greater insights.

DAOs rightly are most focused on delivering the transformative technologies specific to their protocol. As such, it often isn't ideal for them to devote immense resources or effort to collect data that facilitates ecosystem growth. One-off, ad hoc requests are insufficient, unable to deliver the results needed for effective real-time understanding of the rapidly changing on-chain organization landscape. And given the quickly changing nature of such technology, most sources of traditional analytics are often caught playing catch up rather than innovating.

As such, the established methods of gathering analytics don't just struggle to deliver the correct solutions. They often don't even know the correct questions to ask in the first place. In order to succeed, DAOs need something more: not just a single analysis, but rather, a global community of analysts poised to deliver real-time analysis and insight at scale.

2.0: Introducing MetricsDAO.

MetricsDAO launched in October 2021 with the purpose of asking the right questions and generating powerful solutions by uniting analytical minds and structuring their approach to engaging with other on-chain organizations.

What's more, MetricsDAO is data platform agnostic, meaning both analysts and partner DAOs can use the data sources they prefer as well as receive the insights of other platforms they may not have pursued otherwise. This means that all sources are fully considered in the search for correct solutions.

2.1: Value At Scale for DAOs.

The traditional analytical model employs individual analysts to attack individual jobs, using a consulting process that is often arbitrary, time consuming, and difficult to assess for quality control.

Alternatively, MetricsDAO's "wisdom of the crowd," solution provide multiple analyses for every question posed. In addition, the 'hive mind' can be used to facilitate open-ended analysis, meaning that DAOs can develop responses based on community feedback that answer questions developers hadn't even thought to ask.



Consider these dual use cases:

1. **Directed Asks:** Established DAOs may have a single question or a list of needs that require addressing, which they can ask analysts to solve. In some cases, they may already have data that needs to be made analytics ready, as well as a shortlist of solutions created from that data.
2. **Community Solutions:** Other DAOs may have a broader need to understand the issues most important to their community — in that case, they could offer a broad request for queries, allowing analysts to submit critical questions that the DAO developers may not have considered asking in the first place. In doing so, a DAO may discover areas for improvement in its protocol, errors in its messaging or previously overlooked areas for expansion.

Both of these needs can be met using the MetricsDAO operating system and its aligned incentive model for creating both the questions and the answers necessary for innovation.

In addition to analysis, DAOs receive another major benefit by having their challenges met by analysts on MetricsDAO. Because DAOs offer payouts to Analysts in the form of their native tokens — referred to as “Partner Tokens” on MetricsDAO — those DAOs receive added awareness and ownership of their token, spurring further community development and decentralization.

Partner Tokens granted to MetricsDAO are distributed into the hands of analysts working to contribute to or shine light on the partner organization. The public nature of the analysis process means that this enhanced brand awareness isn't limited to just those directly addressing their problem: it has the potential to reach every member, and observer, of the network.

2.2: Participation Driven Value for Analysts.

Analysts of varied skill backgrounds are incentivized to join MetricsDAO through the opportunity to earn tokens granted by partner protocols and blockchains. By participating in the MetricsDAO community, Analysts also benefit from expertise growth obtained through communal mentorship, education and knowledge sharing.

What's more, accumulating \$METRIC enables Analysts to participate in more activities such as proposing questions, providing analyses, and reviewing submissions. These activities are compensated via Partner Tokens.

This is a stark departure from other DAOs, where community members typically receive a single token specific to that organization.



3.0: How MetricsDAO Works.

MetricsDAO is envisioned to operate on a model of Organized, On-Demand Analytics Delivery to create aligned incentives driving collaboration between DAOs and Analysts. This bounty model was originally pioneered by Flipside Crypto — which has contributed its IP to provide an operationally-ready model to support the initial infrastructure of the operating system.

3.1: The Four Core Steps.

1. **Question Creation:** The analytical needs of decentralized organizations are discovered and organized into Questions that can be addressed by Analysts. Effective prioritization, achieved through community driven “upvoting,” helps center Analysts on addressing the right challenges at the right time.
2. **Solution Generation:** Analysts address Questions with results, visualizations, insights, and further Questions that generate Solutions.
3. **Solution Review:** Public feedback, as opposed to the private loops used in traditional analysis methods, ensures that a Solution meets data and delivery standards — does the Solution solve the challenge, and does it do it well?
4. **Partner Token Distribution:** Programmatic compensation rewards Analysts for the results they deliver.

MetricsDAO provides an organized and proven method for completing each step in the Organized, On-Demand Analytics Delivery process. It will also develop applications and smart contracts to execute these components, including enabling token rewards to be distributed as automatically as possible.

3.2: Who Does What?

There are three key Actors enabling analytics outcomes.

- **Authors:** Community members, as well as members of partner protocols or decentralized organizations, who generate Questions that earn them a share of Partner Tokens if their Question is activated and solved.
- **Analysts:** Anyone who generates Solutions to address challenges selected for activated Questions. Highly rated Solutions are compensated with Partner Tokens, ensuring that the highest quality Analysts are rewarded more for their contributions.
- **Reviewers:** Community members who perform Peer Review on Solutions submitted by Analysts. Reviewer activities are compensated with Partner Tokens.

Compensation for these steps is held in a **Reward Vault**, included as part of every Program, which is made up of Partner Tokens distributed according to participation.

3.3: Incentivization Structure.

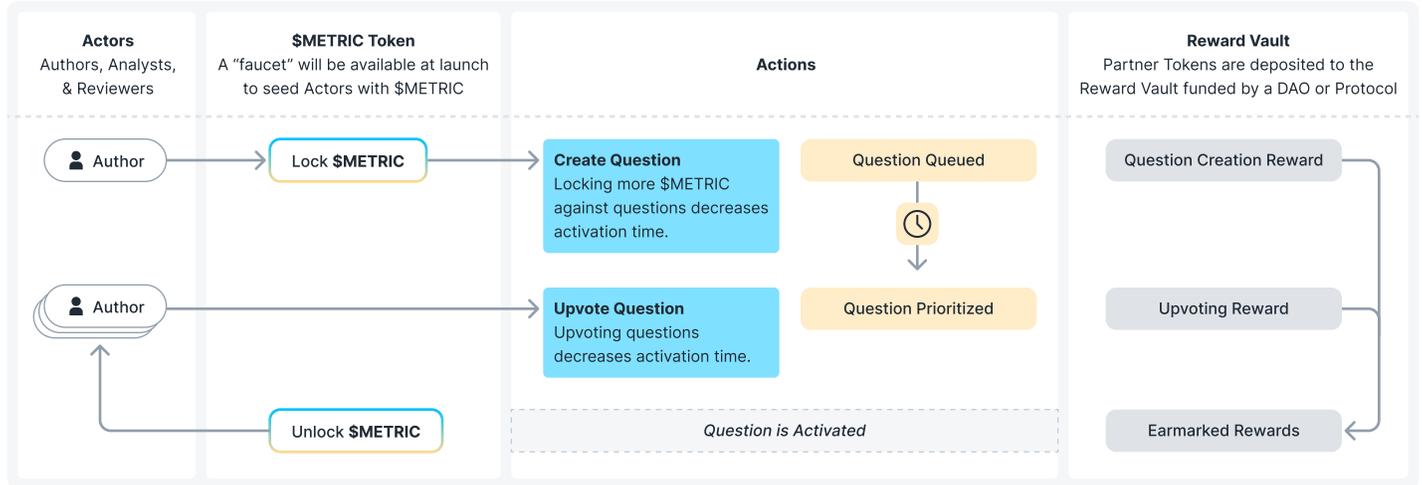
MetricsDAO motivates Analysts to progress through each step of the Organized, On-Demand Analytics Delivery process with an innovative incentivization structure. This section breaks down the flow of tokens, the actors involved, and the actions taken for Question Creation, Solution Generation, Solution Review, and Payment.

In each step, Actors holding the \$METRIC token can then participate and earn Partner Tokens from the Reward Vault. \$METRIC will initially be made available to community members via an actions-oriented Faucet, which is described in further detail in section 4.1.



3.3.1: Question Creation.

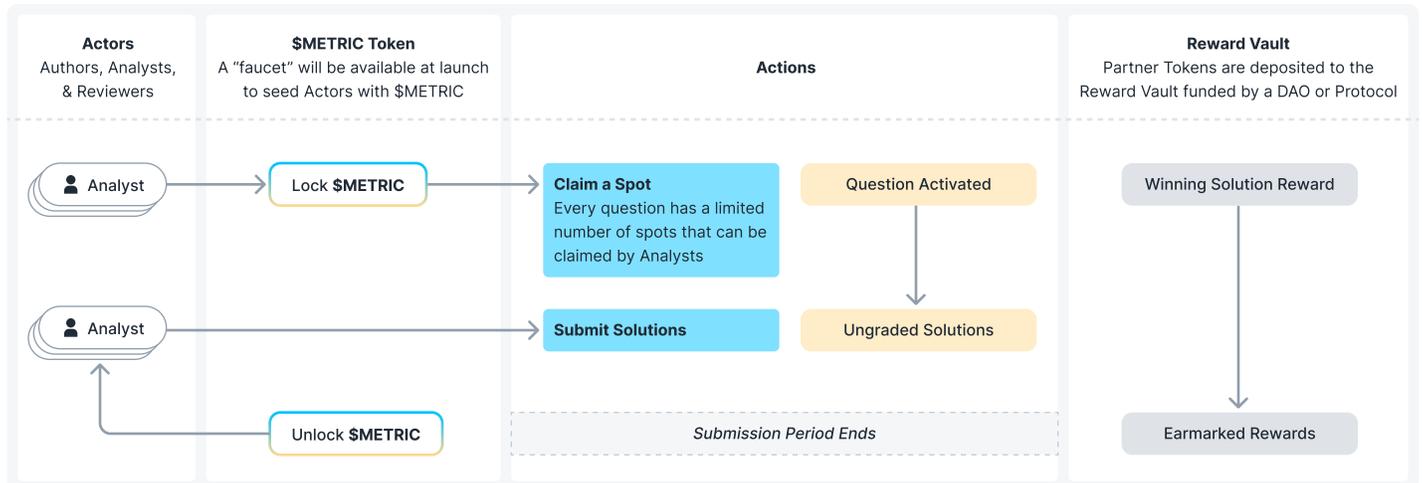
Some protocols or DAOs that engage with the MetricsDAO community will come with Questions they'd like to have answered. Others will prefer to run an open ended analytics program, where Questions are sourced from the community of Authors. In this case, the Question Creation process applies.



When an Author initially creates a Question, it is marked as queued. Queued Questions have a countdown to their activation date. Initially that countdown starts quite high. To speed up the time to activate the Question, an Author may upvote a Question by locking \$METRIC against the Question. Upvoting is an important action in prioritizing critical Questions. In return for locking \$METRIC against the Question, the Authors involved will be rewarded with Partner Tokens from the program's Reward Vault.

3.3.2: Solution Generation.

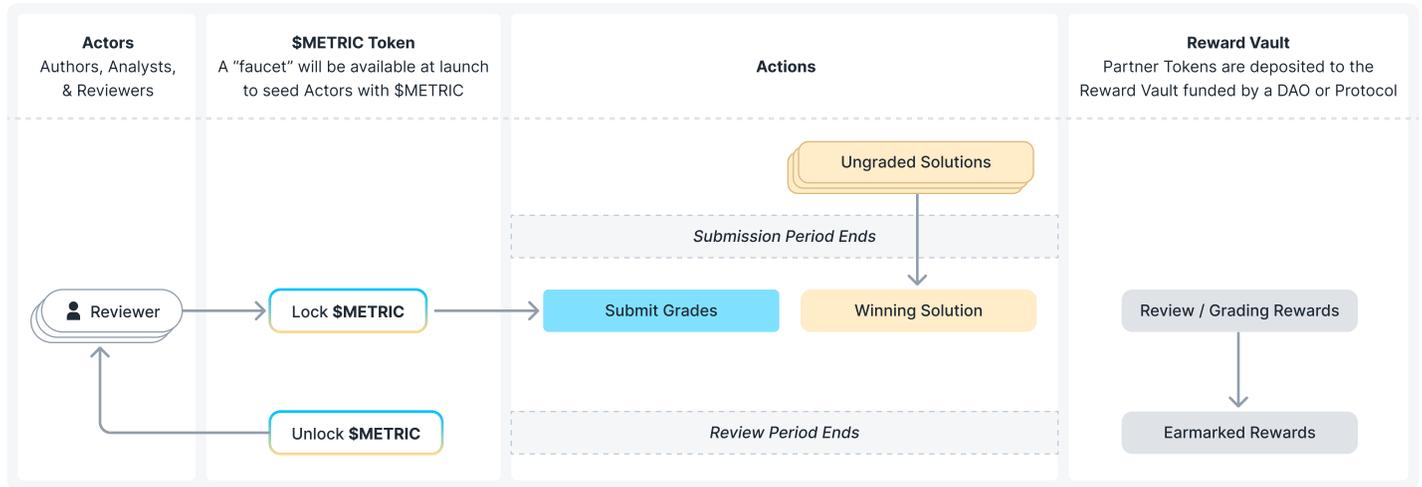
After a Question's countdown has ended, the Question is "activated." Once "activated," the Question can be claimed by Analysts.



Analysts lock their \$METRIC token to claim a spot in solving the Question. Every Question has a limited number of spots that can be claimed, which is configurable by the program creator. After claiming a spot, an Analyst can submit a Solution to the Question. The Question has an expiration date, before which the Solution must be submitted. After the submission period ends for the Question, the Analyst's \$METRIC is unlocked.

3.3.3: Solution Review.

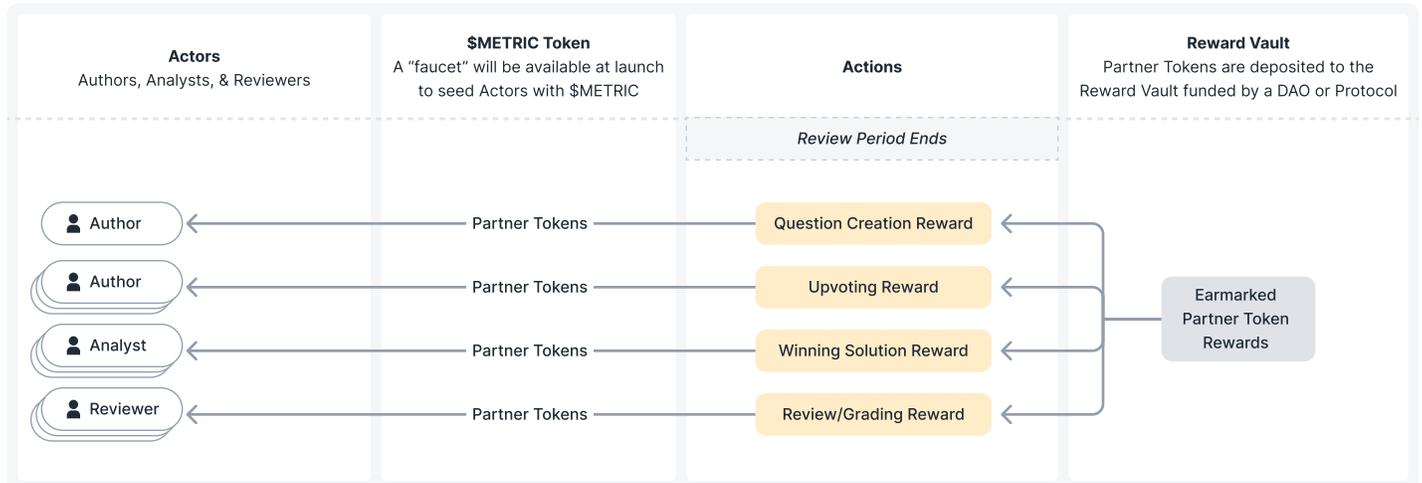
After the submission period ends, Reviewers lock their \$METRIC for the right to review submissions. Reviewer activity is compensated via Partner Tokens from the Reward Vault. At the conclusion of the review period, the locked \$METRIC is unlocked.



3.3.4: Partner Token Distribution.

Proper incentives are key to motivating Actors to contribute to the MetricsDAO community. After the review period, Partner Tokens that have been earmarked through Question Creation, Solution Generation, and Review are dispersed to the three Actors (Authors, Analysts, and Reviewers).

The precise percentage payout will be determined through experimentation on a program-by-program basis. The mechanics will be made known in advance of a program's launch to ensure a fair process for every participating Actor.



3.4: Launching a New On-Demand Analytics Program.

An On-Demand Analytics Program can be proposed to MetricsDAO by a Protocol Team, DAO, or Blockchain. Once activated, a Reward Vault for the program is generated and the proposing party funds the vault to power the on-demand analytics program.

An On-Demand Analytics Program may also be initiated by MetricsDAO, which would propose to receive a grant from a protocol or blockchain to fund the program. MetricsDAO will work within the governance constructs and, if successful, a Reward Vault is created and funded with the funds received from the grant.

A program is funded through a grant of non-\$METRIC native tokens, referred to as “Partner Tokens.”

4.0: Introducing the \$METRIC Token.

Each On-Demand Analytics Program is organized around the specific blockchain or protocol searching for directed solutions or who seek to drive analytical content generation.

Partner Tokens play a crucial role in compensating Analysts, Requesters, and Reviewers involved in the analytical content generation pipeline. They incentivize activities such as data curation, Question sourcing, Solution development, related analytics operations, and review of analytics submissions.

As such, the \$METRIC token will be launched to incentivize the operational components of MetricDAO's On-Demand Analytics process and to power the network's governance. The protocol's contracts will be open sourced and available on Github.

4.1: Distributing \$METRIC Through the Value Faucet.

MetricsDAO is structured to include a Value Faucet to spur early activity through the \$METRIC token. With this process, community members may receive initial \$METRIC tokens in return for attempting to take action on the operating platform — such as trying to upvote a Question or review a submitted analysis, for example.

This process of distributing \$METRIC prioritizes community members who have actively shown interest in participating in the network, a key factor since MetricsDAO cannot succeed unless it has a significant number of actors playing their part in generating Questions and delivering Solutions.

It also ensures that \$METRIC is primarily owned by active community members, as opposed to investors or token speculators who have less motivation to construct helpful outcomes for the Analysts and DAOs driving success on the operating system.

4.2: Uses for the \$METRIC Token.

\$METRIC is a utility that enables community members to activate the On-Demand Analytics process, while also providing access to ownership in Partner Tokens.



- 1. Using \$METRIC in Question Creation.** The creation of high quality Questions is one of the most important and difficult aspects of a successful On-Demand Analytics Program. Anyone may submit a Question to an On-Demand Analytics Program; however, not all Questions are of equal quality or importance. Authors may lock their \$METRIC against their Question to upvote it. The more upvotes a Question receives the more quickly a Question is Activated. After a Question is activated the \$METRIC is unlocked and can be reused to further upvote other Questions. Authors that upvote a Question that is activated receive a portion of the Partner Token rewards that are paid out upon the solving of a Question. This is to reward them for prioritizing the most impactful Questions. The amount of the Partner Token payout is a function of the amount of \$METRIC locked in the upvoting process.
- 2. Using \$METRIC to Claim a Question.** Analysts may lock their \$METRIC to claim a spot on a Question. Claiming a spot gives the Analyst the right to solve the Question and an opportunity to earn Partner Tokens. After a Solution has been submitted the \$METRIC locked to claim a spot may be unlocked and put to use to claim other Questions. However, if an Analyst claims a spot, but does not submit a Solution, their locked \$METRIC is sent back to the Treasury.
- 3. Using \$METRIC in Solution Review.** Reviewers evaluate submitted Solutions and determine their validity, earning rewards for their efforts. In order to earn income as a Reviewer, one must lock their \$METRIC to participate. The amount locked determines the impact on the evaluation score and the amount of Partner Tokens that a Reviewer is eligible to earn. A Reviewer will review to receive a portion of the Partner Tokens based on a function of their total locked \$METRIC.
- 4. Using \$METRIC for Governance.** The \$METRIC token may also be utilized to vote on proposals relevant to MetricsDAO's operations and development.

5.0: MetricDAO Ownership and Governance.

MetricsDAO is initially adopting a form of "Governance by Apparent Consensus," a governance model driven by three main principles:

1. When consensus is high, the system should move quickly and efficiently.
2. When consensus is low, the system should move slowly to resolve concerns.
3. The interests of individuals with large token holdings should not outweigh the interests of other participants.

Safeguards to ensure these principles are enacted on the protocol will be continuously iterated and implemented through the community-led governance process.

This model incentivizes participation by using the \$METRIC token to programmatically reward participants on the MetricsDAO operating system for providing Questions, analysis, review, and other essential activities.

Those who do the most to build the success of MetricsDAO are awarded more \$METRIC, allowing them to earn more Partner Tokens and have more say over the future of the operating system.

5.1: \$METRIC Token Ownership.

Distribution of \$METRIC was ratified by consensus vote from Genesis and Council Members in December of 2021. Vesting of \$METRIC tokens will be divided into several release streams, depending on the allocation group.

Group	%	Rationale
Treasury	37%	Utilized for MDAO operations; potential future grants for builders and supporters of the overall ecosystem.
Community	33%	For activities related to on-demand analytic programs, including Value Faucet.
Bootstrap + Genesis + Core	30%	Bootstrapping, including On-Demand Analytics IP, resources, funding.

5.2: \$METRIC Governance.

The governance structure for MetricsDAO is currently being developed and intended to follow the initial Governance by Apparent Consensus model.

6.0: Uniting Analysts And DAOs to Build a Web3 Future.

The next era of DAOs is here, presenting a marketplace that already includes thousands of decentralized organizations and \$9 billion in value, a figure that could quickly boom into the trillions by achieving just a small market share of existing centralized industries ripe for disruption, such as the real estate and equity markets.

To reach those heights, effective data analysis will remain key for DAOs and others driving the future of the Web3 application economy. But while obtaining access to the right data and translating it into direct outcomes is possible, the current process for DAOs is messy and often lacks the necessary quality control components. Meanwhile, there are numerous Analysts capable of meeting the challenges facing DAOs, but many of them don't know where to direct their abilities.

With MetricsDAO, decentralized organizations get access to the community of minds they need to adapt and scale to find solutions for the myriad challenges they encounter. At the same time, Analysts are given a clear path for directing their abilities toward meaningful challenges and valuable work, through an operating system that serves as a maker space for designing, together, the decentralized world.

The data is already out there. But it is difficult to obtain, and even more difficult to understand. There are still too many key questions that need to be developed and answered to move the building of a true Web3 future. MetricsDAO is an operating system built to deliver that future by bringing together both Analysts and DAOs to take on the most pressing challenges facing the blockchain ecosystem. In doing so, it serves to not just provide answers for the problems facing decentralized organizations today, but to also provide the questions necessary to address the challenges of tomorrow.



Afterward.

MetricsDAO was initially bootstrapped by analytical minds from multiple Web3 organizations, and launched in October 2021. Genesis Members include [@danner.eth](#), [@Sunslinger.ust](#), [@drethereum](#), [@andrew.i](#), [@jdcook](#), [@sui414](#), [@MSilb7](#), [@chris.eth](#), and [@0xdef1](#).

The original IP, operating platform, expertise, and resources behind MetricsDAO was contributed by Flipside Crypto, which operates an on-demand analytics process that delivered more than 25,000 submissions in 2021 for partners such as Terra, Solana, Algorand, Thorchain, Aave, Uniswap, Sushi and Compound.

MetricsDAO is a separate entity, owned by the community and independent from Flipside Crypto.

Closing Note: This paper describes the vision of MetricsDAO and the On-Demand Analytics process and is subject to evolution through learnings during initial experiments. Future protocol documentation will cover intricacies of the automated flow for On-Demand Analytics processes.



